Non-declaration of dividends by UTI

685. DR. MANMOHAN SINGH: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Unit Trust of India has decided not to declare any dividends under its Unit 64 Scheme for the year ending 30th June, 2002;

(b) whether Government are aware of the hardships caused to millions of small investors who had put their hard-earned savings in Unit 64 Scheme;

(c) whether Government was consulted before UTI arrived at this decision;

(d) if so, the advice given by Government to UTI;

(e) whether Government are satisfied that UTI has taken credible measures to avoid such outcomes in the future; and

(f) if so, the measures adopted or proposed to be adopted in the current year?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE): (a) to (f) UTI Board of Trustees in its meeting held on 21st June, 2002 decided not to declare a dividend for US-64 since the financial condition of the scheme does not permit income distribution for the year ending 30th June, 2002. Moreover, the scheme is NAV based w.e.f. 01.01.2002.

Government announced a financial package for US-64 on 28.12.01. As a part of the financial package, UTI was asked to implement time-bound reforms based on the recommendations of the various expert Committees including Tarapore Committee. Further, Expert Committees have recommended amendments to the UTI Act. In these regard, appropriate actions have been initiated by UTI and the Government.

Export potentials

†686. SHRI JANESHWAR MISHRA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government's attention has been drawn towards the survey report of CII published in the newspapers on 9th June 2002;

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†Original notice of the question was received in Hindi.